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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/003,368	11/15/2001	James A. Cole	34171	4699
116 7590 09/20/2007 PEARNE & GORDON LLP 1801 EAST 9TH STREET SUITE 1200 CLEVELAND, OH 44114-3108				
			EXAMINER GRAHAM, CLEMENT B	
			ART UNIT 3692	PAPER NUMBER
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**Please find below and/or attached an Office communication concerning this application or proceeding.**

The time period for reply, if any, is set in the attached communication.

<b>Office Action Summary</b>	<b>Application No.</b> 10/003,368	<b>Applicant(s)</b> COLE, JAMES A.	
	<b>Examiner</b> Clement B. Graham	<b>Art Unit</b> 3692	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

**Period for Reply**

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

**Status**

- 1) ☒ Responsive to communication(s) filed on 02 July 2007.
- 2a) ☐ This action is **FINAL**.                      2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

**Disposition of Claims**

- 4) ☒ Claim(s) 1-23 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-23 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

**Application Papers**

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

**Priority under 35 U.S.C. § 119**

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All    b) ☐ Some \* c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
  2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

**Attachment(s)**

- |  |   |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892)                                | 4) <input type="checkbox"/> Interview Summary (PTO-413)<br>Paper No(s)/Mail Date. _____ |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948)                       | 5) <input type="checkbox"/> Notice of Informal Patent Application                       |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08)<br>Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____  |

**DETAILED ACTION**

***Claim Rejections - 35 USC § 103***

1. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

2. Claims 1-23, are rejected under 35 U.S.C. 103(a) as being unpatentable over Lloyd U.S. Patent U.S. Patent 4, 876, 648 in view of Florance et al (Hereinafter Florance U.S. Patent U.S. Patent 6, 871, 140) in view of Cheetham et al (Hereinafter Cheetham U.S. Patent U.S. Patent 6, 115, 694).

As per claims 1, 3-4, 6-10, Lloyd discloses a method for processing a loan application by virtue of a computer system, where a real property is presented as collateral by the loan applicant, the method comprising steps of:

(a) inputting the loan application into the computer system, the loan application containing the address of the real property(see column 4 lines 46-64 and column 5 lines 30-67 and column 6-12 lines 1-67).

Lloyd fail to explicitly teach (b) providing the address of the property to an automated valuation model (AVM) system, the AVM system being capable of producing and returning valuation data for a real property in response to the provision of the address thereof (c) receiving valuation data for the corresponding property from the AVM system; and

(f) wherein, after the step (a), the steps (b) to (e) are carried out automatically in the computer system.

However Florance discloses turning attention to the primary functions of the For Sale structured tab, by clicking on the Lookup Property button on the homepage, a user can search for a particular property. After clicking through this button, the present invention presents a Property Lookup page, as shown in FIG. 43, which asks for the property address, property name, listing number, building park, city, sub-market or listing company of the property to be found. The Property Lookup page also asks the

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user for the state in which the property is located. As an example of a property lookup, a user can enter the name "Park Place" in the data entry field for the property name. Then, when the user presses a Get Results button, the website returns a property lookup results list listing (FIG. 44) all of the properties in the database with the name "Park Place." The property list includes information such as address, city, state, price, square foot size, price per square foot, cap rate, and type of property (e.g., office, industrial, and land). As an example of another property lookup, to narrow the search, a user could specify the state in which "Park Place" property resides, for example, New York. With this search criteria, upon clicking through the Get Results button, the user would view a property lookup results list containing only the entry that reads "790 Park Place, Long Beach, N.Y." in FIG. 44. After entering the search criteria and viewing the property lookup results list, a user can double-click on a property listing to obtain the details about that property, including an overview of the property, financial information, tenant information, market statistics, comps, and a map of the area in which the property resides. During operation of the property lookup function, the present invention provides a menu on the screen for ongoing options such as Return to Homepage, Print Results, or Enter a New Lookup Criteria.(see column 48 lines 26-58 and column 49-55 lines 1-67 and column 31 lines 48-60 and column 32 lines 42-58).

Therefore it would have been obvious to one of ordinary skill in the art the time the invention was made to modify the teachings of Lloyd to include (b) providing the address of the property to an automated valuation model (AVM) system, the AVM system being capable of producing and returning valuation data for a real property in response to the provision of the address thereof (c) receiving valuation data for the corresponding property from the AVM system; and wherein, after the step (a), the steps (b) to (e) are carried out automatically in the computer system taught by Florance in order to determine the loan to value of the property.

Lloyd and Florance fail to explicitly teach determining a primary LoanCap by multiplying the property ValueCap by a pre-determined LTVCap (Loan-to-Value%Cap), the primary LoanCap being able to be used in the comparing step (e) and (e) comparing a requested loan amount in the loan application to the LoanCap, wherein,

when the requested loan amount is within the LoanCap, the loan application can be approved.

However Cheetham discloses an understanding of the above preference criteria for the first five attributes (i.e., the date of sale, the distance from subject property, the sale price, the living area, and the lot size) is graphically described in FIG. 4. Each of the attributes in FIG. 4 have a trapezoidal shape representing its criteria evaluation functions. For each attribute, the broader base of the trapezoidal shape represents the range of tolerable values and corresponds to the interval-value used in the preliminary retrieval query. The smaller top or core of the trapezoidal shape represents the most desirable range of values and establishes the top preference for the attribute. An attribute value falling inside the most desirable region will receive a preference value of 1. As the feature value moves away from the most desirable range, its associated preference value will decrease from 1 to 0. At the end of this evaluation, each comparable will have a preference vector, with each element taking values in the [0,1] interval. These values represent the partial degree of membership of each attribute value in the fuzzy sets and fuzzy relations representing the preference criteria provided in the fuzzy preference scales. Typically, comparable properties selected in the preliminary retrieval that have attribute values falling outside the tolerable value range will not be evaluated.(see column 4 lines 19-67 and column 5 lines 1-28).

Therefore it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the teachings of Lloyd and Florance to include determining a primary LoanCap by multiplying the property ValueCap by a pre-determined LTVCap (Loan-to-Value%Cap), the primary LoanCap being able to be used in the comparing step (e) and (e) comparing a requested loan amount in the loan application to the LoanCap, wherein, when the requested loan amount is within the LoanCap, the loan application can be approved taught by Cheetham in order to determine the value of a property that falls with a range of values.

As per claim 2, Lloyd discloses wherein the address of the property is provided to a plurality of AVM systems, each of which returns independent valuation data for

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the corresponding property. (see column 4 lines 46-64 and column 5 lines 30-67 and column 6-12 lines 1-67).

As per claim 5, Lloyd fail to explicitly teach wherein the preset value is determined depending on the geographic area of the property. (see column 4 lines 46-64 and column 5 lines 30-67 and column 6-12 lines 1-67).

As per claim 11, Lloyd discloses where a real estate property is presented as collateral by the loan applicant, the method comprising steps of:

(a) checking whether or not all required credit and lending criteria, except for valuation of the property, are satisfied, wherein, if not satisfied, the loan application can be denied or returned to the applicant thereof(see column 4 lines 46-64 and column 5 lines 30-67 and column 6-12 lines 1-67)., and wherein, if satisfied, the following step (b) is carded out (b) carrying out the method according to claim 1. (see column 4 lines 46-64 and column 5 lines 30-67 and column 6-12 lines 1-67).

As per claim 12, Lloyd discloses wherein the step (b) further comprises a step of scrutinizing the value of the property when the requested loan amount is not within the LoanCap to further determine whether the application can be approved. (see column 4 lines 46-64 and column 5 lines 30-67 and column 6-12 lines 1-67).

As per claim 13, Lloyd discloses wherein a conventional appraisal of the property is used in scrutinizing the value of the property. (see column 4 lines 46-64 and column 5 lines 30-67 and column 6-12 lines 1-67).

As per claim 14-23, Lloyd discloses where a real property is presented as collateral by the loan applicant, the system comprising:

(a) means for inputting the loan application into the system, the loan application containing the address of the real property(see column 4 lines 46-64 and column 5 lines 30-67 and column 6-12 lines 1-67).

Lloyd fail to explicitly teach (b) means for providing the address of the property to an automated valuation model (AVM) system, for producing and returning valuation data for a real property in response to the provision of the address thereof;

(c) means for receiving valuation data for the corresponding property from the AVM system(d) means for determining a LoanCap for the corresponding property by

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applying a pre-determined lending policy to the valuation data and information provided in the loan application, the lending policy having been pre-set in the system; and (e) means for comparing a requested loan amount in the loan application to the LoanCap, wherein, when the requested loan amount is within the LoanCap, the loan application can be approved.

However Florance discloses Turning attention to the primary functions of the For Sale structured tab, by clicking on the Lookup Property button on the homepage, a user can search for a particular property. After clicking through this button, the present invention presents a Property Lookup page, as shown in FIG. 43, which asks for the property address, property name, listing number, building park, city, sub-market or listing company of the property to be found. The Property Lookup page also asks the user for the state in which the property is located. As an example of a property lookup, a user can enter the name "Park Place" in the data entry field for the property name. Then, when the user presses a Get Results button, the website returns a property lookup results list listing (FIG. 44) all of the properties in the database with the name "Park Place." The property list includes information such as address, city, state, price, square foot size, price per square foot, cap rate, and type of property (e.g., office, industrial, and land). As an example of another property lookup, to narrow the search, a user could specify the state in which "Park Place" property resides, for example, New York. With this search criteria, upon clicking through the Get Results button, the user would view a property lookup results list containing only the entry that reads "790 Park Place, Long Beach, N.Y." in FIG. 44. After entering the search criteria and viewing the property lookup results list, a user can double-click on a property listing to obtain the details about that property, including an overview of the property, financial information, tenant information, market statistics, comps, and a map of the area in which the property resides. During operation of the property lookup function, the present invention provides a menu on the screen for ongoing options such as Return to Homepage, Print Results, or Enter a New Lookup Criteria.(see column 48 lines 26-58 and column 49-55 lines 1-67 and column 31 lines 48-60 and column 32 lines 42-58).

Therefore it would have been obvious to one of ordinary skill in the art the time the invention was made to modify the teachings of Lloyd to include means for providing the address of the property to an automated valuation model (AVM) system, for producing and returning valuation data for a real property in response to the provision of the address thereof;

(c) means for receiving valuation data for the corresponding property from the AVM system(d) taught by Florance in order to determine the loan value of a property.

Lloyd and Florance fail to explicitly teach means for determining a LoanCap for the corresponding property by applying a pre-determined lending policy to the valuation data and information provided in the loan application, the lending policy having been pre-set in the system; and (e) means for comparing a requested loan amount in the loan application to the LoanCap, wherein, when the requested loan amount is within the LoanCap, the loan application can be approved.

However Cheetham discloses an understanding of the above preference criteria for the first five attributes (i.e., the date of sale, the distance from subject property, the sale price, the living area, and the lot size) is graphically described in FIG. 4. Each of the attributes in FIG. 4 have a trapezoidal shape representing its criteria evaluation functions. For each attribute, the broader base of the trapezoidal shape represents the range of tolerable values and corresponds to the interval-value used in the preliminary retrieval query. The smaller top or core of the trapezoidal shape represents the most desirable range of values and establishes the top preference for the attribute. An attribute value falling inside the most desirable region will receive a preference value of 1. As the feature value moves away from the most desirable range, its associated preference value will decrease from 1 to 0. At the end of this evaluation, each comparable will have a preference vector, with each element taking values in the  $[0,1]$  interval. These values represent the partial degree of membership of each attribute value in the fuzzy sets and fuzzy relations representing the preference criteria provided in the fuzzy preference scales. Typically, comparable properties selected in the preliminary retrieval that have attribute values falling outside the tolerable value range will not be evaluated.(see column 4 lines 19-67 and column 5 lines 1-28).



Therefore it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the teachings of Lloyd and Florance to include means for determining a LoanCap for the corresponding property by applying a pre-determined lending policy to the valuation data and information provided in the loan application, the lending policy having been pre-set in the system; and (e) means for comparing a requested loan amount in the loan application to the LoanCap, wherein, when the requested loan amount is within the LoanCap, the loan application can be approved taught by Cheetham in order to determine the value of a property that falls within a range of values.

### **Conclusion**

#### **Response to Arguments**

3. Applicant's arguments filed 07/2/2007 have been fully considered but they are moot in view of new grounds of rejections.

4. In response to Applicant's arguments that Lloyd and Florance fail to teach or suggest "loan cap"

However the Examiner disagrees with Applicant's because these limitations were addressed with a combination of teachings as stated"

Lloyd discloses a method for processing a loan application by virtue of a computer system, where a real property is presented as collateral by the loan applicant, the method comprising steps of, (a) inputting the loan application into the computer system, the loan application containing the address of the real property (see column 4 lines 46-64 and column 5 lines 30-67 and column 6-12 lines 1-67).

However Florance discloses turning attention to the primary functions of the For Sale structured tab, by clicking on the Lookup Property button on the homepage, a user can search for a particular property. After clicking through this button, the present invention presents a Property Lookup page, as shown in FIG. 43, which asks for the property address, property name, listing number, building park, city, sub-market or listing company of the property to be found. The Property Lookup page also asks the user for the state in which the property is located. As an example of a property lookup, a user can enter the name "Park Place" in the data entry field for the property name.

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Then, when the user presses a Get Results button, the website returns a property lookup results list listing (FIG. 44) all of the properties in the database with the name "Park Place." The property list includes information such as address, city, state, price, square foot size, price per square foot, cap rate, and type of property (e.g., office, industrial, and land). As an example of another property lookup, to narrow the search, a user could specify the state in which "Park Place" property resides, for example, New York. With this search criteria, upon clicking through the Get Results button, the user would view a property lookup results list containing only the entry that reads "790 Park Place, Long Beach, N.Y." in FIG. 44. After entering the search criteria and viewing the property lookup results list, a user can double-click on a property listing to obtain the details about that property, including an overview of the property, financial information, tenant information, market statistics, comps, and a map of the area in which the property resides. During operation of the property lookup function, the present invention provides a menu on the screen for ongoing options such as Return to Homepage, Print Results, or Enter a New Lookup Criteria.(see column 48 lines 26-58 and column 49-55 lines 1-67 and column 31 lines 48-60 and column 32 lines 42-58).

Therefore it would have been obvious to one of ordinary skill in the art the time the invention was made to modify the teachings of Lloyd to include (b) providing the address of the property to an automated valuation model (AVM) system, the AVM system being capable of producing and returning valuation data for a real property in response to the provision of the address thereof (c) receiving valuation data for the corresponding property from the AVM system; and wherein, after the step (a), the steps (b) to (e) are carried out automatically in the computer system taught by Florance in order to determine the loan to value of the property.

Cheetham discloses an understanding of the above preference criteria for the first five attributes (i.e., the date of sale, the distance from subject property, the sale price, the living area, and the lot size) is graphically described in FIG. 4. Each of the attributes in FIG. 4 have a trapezoidal shape representing its criteria evaluation functions. For each attribute, the broader base of the trapezoidal shape represents the range of tolerable values and corresponds to the interval-value used in the preliminary retrieval

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query. The smaller top or core of the trapezoidal shape represents the most desirable range of values and establishes the top preference for the attribute. An attribute value falling inside the most desirable region will receive a preference value of 1. As the feature value moves away from the most desirable range, its associated preference value will decrease from 1 to 0. At the end of this evaluation, each comparable will have a preference vector, with each element taking values in the  $[0,1]$  interval. These values represent the partial degree of membership of each attribute value in the fuzzy sets and fuzzy relations representing the preference criteria provided in the fuzzy preference scales. Typically, comparable properties selected in the preliminary retrieval that have attribute values falling outside the tolerable value range will not be evaluated. (see column 4 lines 19-67 and column 5 lines 1-28).


5. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Clement B Graham whose telephone number is 571-272-6795. The examiner can normally be reached on 7am to 5pm.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Hyung S. Sough can be reached on 703-308-0505. The fax phone numbers for the organization where this application or proceeding is assigned are 703-305-0040 for regular communications and 703-305-0040 for After Final communications.

Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the receptionist whose telephone number is 703-305-3900.

CG

February 6, 2007

  
FRANTZY POINVIL  
PRIMARY EXAMINER  
*Au 3692*